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Acting
Thursday
October 16, 1952

Staff meeting.

I saw Jack Bingham afterwards and told him of my recent conversation with Eric Johnston.

Mrs. Patricia Nabokov came to see me at Chip Bohlen's request to talk about an application she had filed for employment in IIA for assignment to Paris. She has done a good deal of free lancing, writes well, is bilingual in French, and [redacted] attractive. Her husband, [redacted] was in charge of the cultural festival in Paris this year. It aroused great interest and on the whole was [redacted] successful.

The Italian Ambassador came to see me. I had Mr. Collins with me. He left a note which he embroidered with an oral explanation of considerable length. He says [redacted] the Italian Government cannot possibly accept the Eden proposal for the settlement of the Trieste dispute. Under its terms, the Italians would retain Zone A and the Yugoslavs Zone B. Tarchiani thinks the Italian Government could not accept a solution which gave them less than they would obtain if there were an ethnic line of demarcation. Under such an arrangement they would be allotted most of the coastal cities in Zone B.

Since the conversations between representatives of Italy and Yugoslavia resulted in no agreement, and there is great bitterness on both sides, Tarchiani feels [redacted] the United States should waive an assent and bring Yugoslavia to terms. He thinks the best way to do this is for the United States to cut off its present military and other aid to that country.

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We have given a great deal of thought to this problem in the Department. We are anxious to have it settled as soon as possible, for otherwise each country is likely to become more intransigeant, and if the issue is injected into the Italian elections next spring it might well prove [redacted] harmful to de Gasperi and his followers. The declaration made by us in 1948, when together with the British and French we advocated the return of the whole of the Trieste Free Territory to Italy, is constantly arising to plague us and [redacted] limit our freedom in this affair.

Messrs. Sargeant, Phillips, Joyce and Horwitz briefed me for the PSB luncheon meeting. The original paper proposed by General Smith for a reorganization of PSB has been altered in some particulars and a tentative agreement reached [redacted] satisfactory to this Department. We discussed this matter at the PSB lunch given by General Smith and attended by Messrs. Kirk, Foster and myself. Foster is leaving tonight with Frank Nash for an extensive tour of the Far East. We all accepted the joint paper with the understanding that the panel for screening CIA projects would be constituted. The two PSB staff members would be dropped from it. CIA, State, Defense, and the Joint Chiefs of Staff would each appoint a representative to it. The hope is expressed that the State Department would designate for this duty someone of ambassadorial rank.

Mr. Geracci, who had looked after my accounts in Paris and who later was in the Visa Section there, called on me this afternoon. He has been assigned to a small consulate in Malaya as a clerk-stenographer. I talked to David Nes after he left about the possibility, since he

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is an [redacted] able fellow, [redacted] having this assignment changed so [redacted] he can continue with visa work, for which he is well equipped.

Messrs. Matthews and Arneson came to see me about a [redacted] disturbing question. It seems that the Saturday Evening Post, in its issue of October 24, will publish an article by the Alsop brothers, with Dr. Lapp as collaborator, on the H bomb. Our knowledge of this [redacted] was derived as a result of Joe Phillips having noticed an advertisement in the Saturday Evening Post announcing its forthcoming publication. Arneson went over last night to the Atomic Energy Commission to ask whether they knew [redacted] of it. They gave him a copy of the article, which on September 5 had been approved with a qualified security clearance. The AEC people had confined their scrutiny of it to a consideration as to whether or not it violated the special security provisions relative to atomic energy matters. They had made a couple of changes in it, then had passed it with a letter to the authors telling them what language should be used to indicate the measure of security clearance given by the AEC.

Gordon Arneson, Doc and myself regard the dissemination of the information contained in this article with the deepest misgivings. It seems to me to constitute a gross security risk. I called Bedell Smith about it, and Gordon took a copy over for him to read. Bedell telephoned Mr. Hibbs of the Saturday Evening Post to see whether it could be withdrawn. Hibbs informed him it had already been printed and the magazine was in channels of distribution throughout the country and would appear on the news stands next Wednesday.

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I talked to Bob Lovett about it. This was the first time he had heard [redacted] of it, and he thought we should at once communicate with the President. I got the White House to telegraph the text to the President together with an explanation of what had happened [redacted] with the recommendation that, when he returns to Washington from his campaign trip on Sunday, he should consult with the interested Departments as to what should be done when the inevitable storm bursts.

I also forwarded a copy tonight to Dean in New York and told Barbara Evans of the background.

We had hardly finished with this disturbance when Hank Byroade arrived to say that Time Magazine had a completely accurate report on the terms [redacted] we had proposed to the British and which, if acceptable to them, we would propose to the Iranian Government for settlement of the oil dispute. Earlier in the day it had been announced that the Iranian Government would sever diplomatic relations with the British.

I called Mr. Griffith in New York, one of the senior editors of Time, and asked him if possible to kill this story. He said [redacted] he would consider the matter and inquire into it. On a [redacted] previous occasion, Mr. Matthews of Time Magazine did kill an accurate despatch along somewhat similar lines which had emanated from London. We do not know where this present leak occurred.

Frank Nash telephoned me to ask [redacted] we give ministerial status to Gordon Rule, who is serving under Draper as the chief of the negotiating team for NATO air bases and so forth. Since the Draper organization already has three Ambassadors and two Ministers, we are loath to advise the President to give Mr. Rule the personal rank of Minister.

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The Diplomatic Corps in Paris is already [redacted] debased by the number of titles of a diplomatic nature granted to U. S. representatives there. Moreover, the feeling, which I have long shared, [redacted] is becoming prevalent that our agencies abroad are vastly overstaffed, that the scale of living of our representatives and their number is increasingly giving rise to bad relations with the [redacted] "occupied" nations, and that a thorough investigation should be made of the necessity for such large-scale representation in Europe.

James Herbert Heineman, introduced by Anna Rosenberg, called on me. He has been working in Mexico City for the Mexican Power and Light Co., of which his father is a large stockholder. George Messersmith is its President. Mr. Heineman now wants an assignment in the Foreign Service. He is bilingual in French and German, and [redacted] fluent in Spanish. I talked to Jerry Drew about him after he left, and asked Jerry to consider his application.

We had a dinner tonight at Blair House for the Spanish Ambassador, Señor de Lequerica, the Spanish Minister Eduardo Propper, the Auchinclosses, Lorraine Shevlin, Margie and David Finley, the Oscar Coxes, and the Byroades.

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